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REAGAN SIGNS AID BILL BUT SAYS IT'S NOT WHAT HE WANTED
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WASHINGTON

President Reagan Thursday signed the first foreign aid bill passed by Congress in four years but he complained some of its provisions are disappointing even though it restores non-military aid to the Nicaraguan Contra rebels.

He also presided at a Cabinet meeting that got first word about the fiscal 1987 budget, a week after Congress approved a fiscal 1986 document virtually no one on Capitol Hill or in the White House was happy with.

Spokesman Larry Speakes said Joseph Wright, the acting budget director, presented 'general goals and objectives' and an outline of procedures for the 1987 budget process, which is starting earlier than usual this year.

Reagan signed the \$14.7 billion foreign aid bill in front of reporters in the Oval Office and hinted he may ask for more later. It is the first foreign aid legislation Congress has passed since 1981. In the intervening years, foreign aid has been provided by separate bills.

In a written statement, he also said he would regard as non-binding provisions requiring the United States to negotiate with Mexico on trade matters and barring talks with the Palestine Liberation Organization unless it recognizes Israel's right to exist.

'In spirit, both sections are consistent with my foreign policy,' he said in a written statement, but added, 'I am compelled, however, as a matter of principle to reiterate my refusal to accept any congressional effort to impose legislative restrictions or directions with respect to the conduct of international negotiations ... a function reserved exclusively to the president.'

He also complained about provisions regarding arms sales to Jordan and an 'arithmetic formula' for aid to Greece and Turkey.

'I'm particularly pleased that Congress has provided renewed aid to the Nicaraguan freedom fighters, replaced the so-called Clark amendment (prohibiting CIA involvement in aiding Angolan rebels) and provided support for the Philippines and Guatemala,' he said just before signing the bill.
